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Ministry of Forests and Range

MARKET PRICING SYSTEM LAUNCHED IN INTERIOR

VICTORIA – A new market-based timber pricing system that reflects local timber values will be in use in the Interior, effective July 1, Forests and Range Minister Rich Coleman announced today.

"This new system of timber pricing will help us respond to changing market values in B.C.," said Coleman. "And, with market-based pricing now a fixture on the Coast and in the Interior, British Columbia can now demonstrate, beyond a doubt, that we charge market prices for Crown timber."

In 2003, the B.C. government created BC Timber Sales, an independent organization within the Ministry of Forests and Range, to develop Crown timber for auction to establish market prices for publicly owned timber.

About 20 per cent of Crown timber is sold at auction each year with the results used to determine stumpage rates for the 80 per cent of Crown timber harvested by other tenure holders. By using BC Timber Sales auction data, instead of StatsCan lumber and chips price indices, the new pricing system will be more responsive to timber values in B.C. On July 1, the Interior average market price will be $17.70 per cubic metre of Crown timber, an increase of $1.22 from April 1.

The new market pricing system follows the implementation of new Interior log grades on April 1, in response to the pine beetle infestation. The new grades are based on the log's size and quality at the time it is scaled or assessed. In addition to fairly reflecting the quality of beetle-killed timber, the new grades will create simpler and more consistent assessment of timber harvested.

As a result of the mountain pine beetle infestation, about 25 per cent of the Interior harvest was being assessed as dead and dry. Under the new grades, the majority of this timber is assessed as saw logs, recognizing its potential to produce good quality forest products.

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